

**SECRET**

**DISSEMINATION**

**EXPLOITATION** 7

*Noted by DCI - 3 Aug. '54  
D/DCI - 3 Aug.  
DD/I - 3 Aug.*

2 August 1954

**MEMORANDUM FOR Mr. Dulles**

**SUBJECT: Brief on Proposed DCID-15/1 for IAC Meeting,  
3 August 1954**

1. One of two actions by the IAC would be desirable:

a. That the IAC members approve the draft directive with such mutually acceptable revision as suggested at the table. This completed action is highly unlikely.

b. That the IAC approve the draft directive in principle and refer it to the EIC for such redrafting as is necessary; at the same time providing EIC with instructions along the following lines:

(1) That no major change be made in the broad outline of responsibilities under paragraph 2 of the draft.

(2) That, in clarifying these statements of responsibilities, flexibility be retained by exclusion of detailed categorization.

2. At the time the proposal was issued, the AD/RR, accompanied by the Vice Chairman of the EIC [REDACTED] and his Chief for Economic Research [REDACTED] met separately with Generals Porter, Lewis, and Willem and with Admiral Daniel and Mr. Fisher Howe in order to explain the background for the proposal. The respective EIC members were also present at these meetings. It

25X1A

25X1A

**SECRET**

appeared that the proposal was received sympathetically, with the possible exception of State's representatives with whom the general subject had been discussed at length in earlier meetings.

3. Since the issuance of NSCID-15 over three years ago, there has been considerable evolution in the intelligence community. Today a much clearer understanding exists of the long-term needs and capabilities of the individual agencies concerned with foreign economic intelligence production. In large measure, the policies and allocations of responsibilities proposed in the draft reflect the current status and distribution of the production effort. The draft does provide a framework of broad allocation under which a more rational division of labor can continue to be developed.

4. Paragraph 1 of the draft sets forth a series of policy guides essentially the same as those agreed to by the IAC for scientific and technical intelligence production in DCID-3/4, revised.

5. Paragraph 2 of the draft assigns primary responsibility for general economic intelligence on a broad regional basis (non-Soviet Bloc to State and Soviet Bloc to CIA). The military services are assigned primary responsibility for the production of intelligence on the military aspects of economics in all foreign areas.

6. The State representative will probably indicate State's interest in the political and policy aspects of the Soviet Bloc economies. It can be explained that State's dominant interest in this regard is delineated in NSCID-3, and that assignment to CIA of general economic intelligence production for the Soviet Bloc does not negate State's responsibilities in the national intelligence field for political influences on economic developments in Soviet Bloc countries.

- 2 -

**SECRET**

**SECRET**

7. Paragraph 3a of the draft reaffirms the existing responsibilities of CIA and the EIC for economic intelligence coordination. Paragraph 3b formalizes an aspect of coordination that is now being done informally and has been approved in principle by the EIC, with the exception of the specific lower limit of \$5,000 for external research project proposals subject to review by the EIC. The intent of this sub-paragraph is constructive coordination, but not control.

25X1A



**OTTO E. GUTHE**  
Assistant Director  
Research and Reports

**SECRET**